

Message Text

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ACTION EUR-12

INFO OCT-01 NEA-10 ISO-00 CIAE-00 DODE-00 PM-04 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 EB-08 COME-00 AID-05 TRSE-00 OMB-01 FRB-03
XMB-02 CIEP-01 /088 W
-----280733Z 075188 /11

R 271816Z JAN 77
FM AMEMBASSY MADRID
TO SECSTATE WASHDC 8776
INFO AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY ABU DHABI

C O N F I D E N T I A L MADRID 0682

E.O.11652: GDS
TAGS: ECON, EFIN, SP, SA, UAE, KU
SUBJECT: PROSPECTIVE ARAB LOANS TO SPAIN

1. A RELIABLE COMMERCIAL BANK SOURCE HAS TOLD US THAT SAUDI ARABIAN LEADERS HAVE MADE VERBAL COMMITMENTS FOR TWO \$500 MILLION LOANS TO SPAIN, AND THAT SMALLER, BUT SUBSTANTIAL, LOANS MAY ALSO BE FORTHCOMING FROM KUWAIT AND THE UNITED ARAB EMIRATES. ONE OF THE \$500 MILLION LOANS WOULD BE AVAILABLE IN THE FIRST SEMESTER OF 1977 AND THE OTHER IN THE SECOND SEMESTER. THE COMMITMENTS FOR THE SAUDI ARABIAN LAONS ARE SAID TO HAVE BEEN OBTAINED BY THE DUKE OF BADAJOZ, (KING BROTHER IN LAW) AND THE COUNT OF BARCELONA (KING'S FATHER) ACTING AS PERSONAL ENVOYS FROM KING JUAN CARLOS. ALTHOUGH THE COMMITMENTS ARE STILL ONLY VERBAL, AND THE DETAILS ARE STILL TO BE WORKED OUT, KING JUAN CARLOS IS SAID TO CONSIDER THE COMMITMENTS FIRM.

2. COMMENT: WE HAVE HEARD ALLUSIONS TO THE POSSIBILITY OF SUCH LOANS IN THE PAST. WITH A CURRENT ACCOUNT DEFICIT OF SOME \$4BILLION IN 1976 AND
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LITTLE APPARENT PROSPECT OF A CONCERTED PROGRAM TO CORRECT THAT DEFICIT BEFORE ELECTIONS, SPAIN CERTAINLY WILL HAVE AMPLE USE FOR SUCH ACCOMMODATIONS IN 1977. IT IS NOTE WORTHY THAT KING JUAN CARLOS IS UNDERSTOOD TO HAVE PLANS TO VISIT SAUDI ARABIA AND PERHAPS KUWAIT ON DATES YET TO BE DETERMINED (MADRID TEL 0104)
STABLER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, AGREEMENTS, ALLEGATIONS, LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 27-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation History:
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